

HOUSE BILL 768
By Casada

AN ACT to amend Tennessee Code Annotated, Title 5, Chapter 12; Title 5, Chapter 21; Title 5, Chapter 5; Title 67, Chapter 1, Part 6 and Title 67, Chapter 5, relative to the taxation of property by counties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 1, Part 6, is amended by adding the following as a new section:

§ 67-1-604

(a) Notwithstanding any provision of law to the contrary, a county legislative body that proposes to fix a tax rate in excess of the prior tax rate may, by resolution adopted by a two-thirds (2/3) vote of the legislative body, propose the tax rate and direct the county election commission to call a nonbinding referendum for the purpose of determining the will of the electorate with respect to the proposed tax levy.

(b) The county election commission shall hold a nonbinding referendum on the question pursuant to § 2-3-204, providing options to vote "FOR" or "AGAINST" the tax rate, after the receipt of a certified copy of the resolution fixing the tax rate. The county legislative body shall consider the results of the nonbinding referendum in fixing the tax rate.

SECTION 2. Tennessee Code Annotated, Section 67-5-1702, is amended by designating the existing language as subsection (a) and by adding the following as new subsection (b):

(b) If the county legislative body proposes to set a tax rate in excess of the certified tax rate as provided for in § 67-5-1701, the legislative body may choose to

follow the procedure as provided in § 67-1-604 instead of proceeding as directed under subsection (a).

SECTION 3. Tennessee Code Annotated, Section 5-5-123, is amended by designating the existing language as subsection (a) and by adding the following language as new subsection (b):

(b) Notwithstanding any provision of subsection (a) to the contrary, a county legislative body may call for a nonbinding referendum on the tax rate under § 67-1-604.

SECTION 4. Tennessee Code Annotated, Section 5-12-109, is amended by adding the following new subsection:

(d) Notwithstanding the provisions of this section to the contrary, if the county governing body calls for a nonbinding referendum on the tax rate under § 67-1-604, then the governing body shall adopt the budget and the appropriation resolution within thirty (30) days of the date on which the county election commission makes its official canvass of the election returns.

SECTION 5. Tennessee Code Annotated, Section 5-12-210, is amended by adding the following new subsection:

(g) Notwithstanding any provisions of this section to the contrary, if the county legislative body calls for a nonbinding referendum on the tax rate under § 67-1-604, then the legislative body shall adopt the budget and the appropriation resolution within thirty (30) days of the date on which the county election commission makes its official canvass of the election returns.

SECTION 6. Tennessee Code Annotated, Section 5-21-111, is amended by adding the following new subsection:

(h) Notwithstanding any provisions of this section to the contrary, if the county legislative body calls for a nonbinding referendum on the tax rate under § 67-1-604, then

the legislative body shall adopt the budget and the appropriation resolution within thirty (30) days of the date on which the county election commission makes its official canvass of the election returns.

SECTION 7. Tennessee Code Annotated, Section 67-5-510, is amended by designating the existing language as subsection (a) and by adding the following language as new subsection (b):

(b) Notwithstanding any provision of subsection (a) to the contrary, a county legislative body may call for a nonbinding referendum on the tax rate under § 67-1-604.

SECTION 8. This act shall take effect July 1, 2005, the public welfare requiring it.